

1 AN ACT concerning municipalities

2 Be it enacted by the People of the State of Illinois,
3 represented in the General Assembly:

4 Section 5. The Illinois Municipal Code is amended by
5 changing Section 11-74.4-3 as follows:

6 (65 ILCS 5/11-74.4-3) (from Ch. 24, par. 11-74.4-3)
7 Sec. 11-74.4-3. Definitions. The following terms,
8 wherever used or referred to in this Division 74.4 shall have
9 the following respective meanings, unless in any case a
10 different meaning clearly appears from the context.

11 (a) For any redevelopment project area that has been
12 designated pursuant to this Section by an ordinance adopted
13 prior to November 1, 1999 (the effective date of Public Act
14 91-478), "blighted area" shall have the meaning set forth in
15 this Section prior to that date.

16 On and after November 1, 1999, "blighted area" means any
17 improved or vacant area within the boundaries of a
18 redevelopment project area located within the territorial
19 limits of the municipality where:

20 (1) If improved, industrial, commercial, and
21 residential buildings or improvements are detrimental to
22 the public safety, health, or welfare because of a
23 combination of 5 or more of the following factors, each
24 of which is (i) present, with that presence documented,
25 to a meaningful extent so that a municipality may
26 reasonably find that the factor is clearly present within
27 the intent of the Act and (ii) reasonably distributed
28 throughout the improved part of the redevelopment project
29 area:

30 (A) Dilapidation. An advanced state of
31 disrepair or neglect of necessary repairs to the

1 primary structural components of buildings or
2 improvements in such a combination that a documented
3 building condition analysis determines that major
4 repair is required or the defects are so serious and
5 so extensive that the buildings must be removed.

6 (B) Obsolescence. The condition or process of
7 falling into disuse. Structures have become
8 ill-suited for the original use.

9 (C) Deterioration. With respect to buildings,
10 defects including, but not limited to, major defects
11 in the secondary building components such as doors,
12 windows, porches, gutters and downspouts, and
13 fascia. With respect to surface improvements, that
14 the condition of roadways, alleys, curbs, gutters,
15 sidewalks, off-street parking, and surface storage
16 areas evidence deterioration, including, but not
17 limited to, surface cracking, crumbling, potholes,
18 depressions, loose paving material, and weeds
19 protruding through paved surfaces.

20 (D) Presence of structures below minimum code
21 standards. All structures that do not meet the
22 standards of zoning, subdivision, building, fire,
23 and other governmental codes applicable to property,
24 but not including housing and property maintenance
25 codes.

26 (E) Illegal use of individual structures. The
27 use of structures in violation of applicable
28 federal, State, or local laws, exclusive of those
29 applicable to the presence of structures below
30 minimum code standards.

31 (F) Excessive vacancies. The presence of
32 buildings that are unoccupied or under-utilized and
33 that represent an adverse influence on the area
34 because of the frequency, extent, or duration of the

1 vacancies.

2 (G) Lack of ventilation, light, or sanitary
3 facilities. The absence of adequate ventilation for
4 light or air circulation in spaces or rooms without
5 windows, or that require the removal of dust, odor,
6 gas, smoke, or other noxious airborne materials.
7 Inadequate natural light and ventilation means the
8 absence of skylights or windows for interior spaces
9 or rooms and improper window sizes and amounts by
10 room area to window area ratios. Inadequate
11 sanitary facilities refers to the absence or
12 inadequacy of garbage storage and enclosure,
13 bathroom facilities, hot water and kitchens, and
14 structural inadequacies preventing ingress and
15 egress to and from all rooms and units within a
16 building.

17 (H) Inadequate utilities. Underground and
18 overhead utilities such as storm sewers and storm
19 drainage, sanitary sewers, water lines, and gas,
20 telephone, and electrical services that are shown to
21 be inadequate. Inadequate utilities are those that
22 are: (i) of insufficient capacity to serve the uses
23 in the redevelopment project area, (ii)
24 deteriorated, antiquated, obsolete, or in disrepair,
25 or (iii) lacking within the redevelopment project
26 area.

27 (I) Excessive land coverage and overcrowding
28 of structures and community facilities. The
29 over-intensive use of property and the crowding of
30 buildings and accessory facilities onto a site.
31 Examples of problem conditions warranting the
32 designation of an area as one exhibiting excessive
33 land coverage are: (i) the presence of buildings
34 either improperly situated on parcels or located on

1 parcels of inadequate size and shape in relation to
2 present-day standards of development for health and
3 safety and (ii) the presence of multiple buildings
4 on a single parcel. For there to be a finding of
5 excessive land coverage, these parcels must exhibit
6 one or more of the following conditions:
7 insufficient provision for light and air within or
8 around buildings, increased threat of spread of fire
9 due to the close proximity of buildings, lack of
10 adequate or proper access to a public right-of-way,
11 lack of reasonably required off-street parking, or
12 inadequate provision for loading and service.

13 (J) Deleterious land use or layout. The
14 existence of incompatible land-use relationships,
15 buildings occupied by inappropriate mixed-uses, or
16 uses considered to be noxious, offensive, or
17 unsuitable for the surrounding area.

18 (K) Environmental clean-up. The proposed
19 redevelopment project area has incurred Illinois
20 Environmental Protection Agency or United States
21 Environmental Protection Agency remediation costs
22 for, or a study conducted by an independent
23 consultant recognized as having expertise in
24 environmental remediation has determined a need for,
25 the clean-up of hazardous waste, hazardous
26 substances, or underground storage tanks required by
27 State or federal law, provided that the remediation
28 costs constitute a material impediment to the
29 development or redevelopment of the redevelopment
30 project area.

31 (L) Lack of community planning. The proposed
32 redevelopment project area was developed prior to or
33 without the benefit or guidance of a community plan.
34 This means that the development occurred prior to

1 the adoption by the municipality of a comprehensive
2 or other community plan or that the plan was not
3 followed at the time of the area's development.
4 This factor must be documented by evidence of
5 adverse or incompatible land-use relationships,
6 inadequate street layout, improper subdivision,
7 parcels of inadequate shape and size to meet
8 contemporary development standards, or other
9 evidence demonstrating an absence of effective
10 community planning.

11 (M) The total equalized assessed value of the
12 proposed redevelopment project area has declined for
13 3 of the last 5 calendar years prior to the year in
14 which the redevelopment project area is designated
15 or is increasing at an annual rate that is less than
16 the balance of the municipality for 3 of the last 5
17 calendar years for which information is available or
18 is increasing at an annual rate that is less than
19 the Consumer Price Index for All Urban Consumers
20 published by the United States Department of Labor
21 or successor agency for 3 of the last 5 calendar
22 years prior to the year in which the redevelopment
23 project area is designated.

24 (2) If vacant, the sound growth of the
25 redevelopment project area is impaired by a combination
26 of 2 or more of the following factors, each of which is
27 (i) present, with that presence documented, to a
28 meaningful extent so that a municipality may reasonably
29 find that the factor is clearly present within the intent
30 of the Act and (ii) reasonably distributed throughout the
31 vacant part of the redevelopment project area to which it
32 pertains:

33 (A) Obsolete platting of vacant land that
34 results in parcels of limited or narrow size or

1 configurations of parcels of irregular size or shape
2 that would be difficult to develop on a planned
3 basis and in a manner compatible with contemporary
4 standards and requirements, or platting that failed
5 to create rights-of-ways for streets or alleys or
6 that created inadequate right-of-way widths for
7 streets, alleys, or other public rights-of-way or
8 that omitted easements for public utilities.

9 (B) Diversity of ownership of parcels of
10 vacant land sufficient in number to retard or impede
11 the ability to assemble the land for development.

12 (C) Tax and special assessment delinquencies
13 exist or the property has been the subject of tax
14 sales under the Property Tax Code within the last 5
15 years.

16 (D) Deterioration of structures or site
17 improvements in neighboring areas adjacent to the
18 vacant land.

19 (E) The area has incurred Illinois
20 Environmental Protection Agency or United States
21 Environmental Protection Agency remediation costs
22 for, or a study conducted by an independent
23 consultant recognized as having expertise in
24 environmental remediation has determined a need for,
25 the clean-up of hazardous waste, hazardous
26 substances, or underground storage tanks required by
27 State or federal law, provided that the remediation
28 costs constitute a material impediment to the
29 development or redevelopment of the redevelopment
30 project area.

31 (F) The total equalized assessed value of the
32 proposed redevelopment project area has declined for
33 3 of the last 5 calendar years prior to the year in
34 which the redevelopment project area is designated

1 or is increasing at an annual rate that is less than
2 the balance of the municipality for 3 of the last 5
3 calendar years for which information is available or
4 is increasing at an annual rate that is less than
5 the Consumer Price Index for All Urban Consumers
6 published by the United States Department of Labor
7 or successor agency for 3 of the last 5 calendar
8 years prior to the year in which the redevelopment
9 project area is designated.

10 (3) If vacant, the sound growth of the
11 redevelopment project area is impaired by one of the
12 following factors that (i) is present, with that presence
13 documented, to a meaningful extent so that a municipality
14 may reasonably find that the factor is clearly present
15 within the intent of the Act and (ii) is reasonably
16 distributed throughout the vacant part of the
17 redevelopment project area to which it pertains:

18 (A) The area consists of one or more unused
19 quarries, mines, or strip mine ponds.

20 (B) The area consists of unused railyards,
21 rail tracks, or railroad rights-of-way.

22 (C) The area, prior to its designation, is
23 subject to chronic flooding that adversely impacts
24 on real property in the area as certified by a
25 registered professional engineer or appropriate
26 regulatory agency.

27 (D) The area consists of an unused or illegal
28 disposal site containing earth, stone, building
29 debris, or similar materials that were removed from
30 construction, demolition, excavation, or dredge
31 sites.

32 (E) Prior to November 1, 1999, the area is not
33 less than 50 nor more than 100 acres and 75% of
34 which is vacant (notwithstanding that the area has

1 been used for commercial agricultural purposes
2 within 5 years prior to the designation of the
3 redevelopment project area), and the area meets at
4 least one of the factors itemized in paragraph (1)
5 of this subsection, the area has been designated as
6 a town or village center by ordinance or
7 comprehensive plan adopted prior to January 1, 1982,
8 and the area has not been developed for that
9 designated purpose.

10 (F) The area qualified as a blighted improved
11 area immediately prior to becoming vacant, unless
12 there has been substantial private investment in the
13 immediately surrounding area.

14 (b) For any redevelopment project area that has been
15 designated pursuant to this Section by an ordinance adopted
16 prior to November 1, 1999 (the effective date of Public Act
17 91-478), "conservation area" shall have the meaning set forth
18 in this Section prior to that date.

19 On and after November 1, 1999, "conservation area" means
20 any improved area within the boundaries of a redevelopment
21 project area located within the territorial limits of the
22 municipality in which 50% or more of the structures in the
23 area have an age of 35 years or more. Such an area is not
24 yet a blighted area but because of a combination of 3 or more
25 of the following factors is detrimental to the public safety,
26 health, morals or welfare and such an area may become a
27 blighted area:

28 (1) Dilapidation. An advanced state of disrepair
29 or neglect of necessary repairs to the primary structural
30 components of buildings or improvements in such a
31 combination that a documented building condition analysis
32 determines that major repair is required or the defects
33 are so serious and so extensive that the buildings must
34 be removed.

1 (2) Obsolescence. The condition or process of
2 falling into disuse. Structures have become ill-suited
3 for the original use.

4 (3) Deterioration. With respect to buildings,
5 defects including, but not limited to, major defects in
6 the secondary building components such as doors, windows,
7 porches, gutters and downspouts, and fascia. With
8 respect to surface improvements, that the condition of
9 roadways, alleys, curbs, gutters, sidewalks, off-street
10 parking, and surface storage areas evidence
11 deterioration, including, but not limited to, surface
12 cracking, crumbling, potholes, depressions, loose paving
13 material, and weeds protruding through paved surfaces.

14 (4) Presence of structures below minimum code
15 standards. All structures that do not meet the standards
16 of zoning, subdivision, building, fire, and other
17 governmental codes applicable to property, but not
18 including housing and property maintenance codes.

19 (5) Illegal use of individual structures. The use
20 of structures in violation of applicable federal, State,
21 or local laws, exclusive of those applicable to the
22 presence of structures below minimum code standards.

23 (6) Excessive vacancies. The presence of buildings
24 that are unoccupied or under-utilized and that represent
25 an adverse influence on the area because of the
26 frequency, extent, or duration of the vacancies.

27 (7) Lack of ventilation, light, or sanitary
28 facilities. The absence of adequate ventilation for
29 light or air circulation in spaces or rooms without
30 windows, or that require the removal of dust, odor, gas,
31 smoke, or other noxious airborne materials. Inadequate
32 natural light and ventilation means the absence or
33 inadequacy of skylights or windows for interior spaces or
34 rooms and improper window sizes and amounts by room area

1 to window area ratios. Inadequate sanitary facilities
2 refers to the absence or inadequacy of garbage storage
3 and enclosure, bathroom facilities, hot water and
4 kitchens, and structural inadequacies preventing ingress
5 and egress to and from all rooms and units within a
6 building.

7 (8) Inadequate utilities. Underground and overhead
8 utilities such as storm sewers and storm drainage,
9 sanitary sewers, water lines, and gas, telephone, and
10 electrical services that are shown to be inadequate.
11 Inadequate utilities are those that are: (i) of
12 insufficient capacity to serve the uses in the
13 redevelopment project area, (ii) deteriorated,
14 antiquated, obsolete, or in disrepair, or (iii) lacking
15 within the redevelopment project area.

16 (9) Excessive land coverage and overcrowding of
17 structures and community facilities. The over-intensive
18 use of property and the crowding of buildings and
19 accessory facilities onto a site. Examples of problem
20 conditions warranting the designation of an area as one
21 exhibiting excessive land coverage are: the presence of
22 buildings either improperly situated on parcels or
23 located on parcels of inadequate size and shape in
24 relation to present-day standards of development for
25 health and safety and the presence of multiple buildings
26 on a single parcel. For there to be a finding of
27 excessive land coverage, these parcels must exhibit one
28 or more of the following conditions: insufficient
29 provision for light and air within or around buildings,
30 increased threat of spread of fire due to the close
31 proximity of buildings, lack of adequate or proper access
32 to a public right-of-way, lack of reasonably required
33 off-street parking, or inadequate provision for loading
34 and service.

1 (10) Deleterious land use or layout. The existence
2 of incompatible land-use relationships, buildings
3 occupied by inappropriate mixed-uses, or uses considered
4 to be noxious, offensive, or unsuitable for the
5 surrounding area.

6 (11) Lack of community planning. The proposed
7 redevelopment project area was developed prior to or
8 without the benefit or guidance of a community plan. This
9 means that the development occurred prior to the adoption
10 by the municipality of a comprehensive or other community
11 plan or that the plan was not followed at the time of the
12 area's development. This factor must be documented by
13 evidence of adverse or incompatible land-use
14 relationships, inadequate street layout, improper
15 subdivision, parcels of inadequate shape and size to meet
16 contemporary development standards, or other evidence
17 demonstrating an absence of effective community planning.

18 (12) The area has incurred Illinois Environmental
19 Protection Agency or United States Environmental
20 Protection Agency remediation costs for, or a study
21 conducted by an independent consultant recognized as
22 having expertise in environmental remediation has
23 determined a need for, the clean-up of hazardous waste,
24 hazardous substances, or underground storage tanks
25 required by State or federal law, provided that the
26 remediation costs constitute a material impediment to the
27 development or redevelopment of the redevelopment project
28 area.

29 (13) The total equalized assessed value of the
30 proposed redevelopment project area has declined for 3 of
31 the last 5 calendar years for which information is
32 available or is increasing at an annual rate that is less
33 than the balance of the municipality for 3 of the last 5
34 calendar years for which information is available or is

1 increasing at an annual rate that is less than the
2 Consumer Price Index for All Urban Consumers published by
3 the United States Department of Labor or successor agency
4 for 3 of the last 5 calendar years for which information
5 is available.

6 (c) "Industrial park" means an area in a blighted or
7 conservation area suitable for use by any manufacturing,
8 industrial, research or transportation enterprise, of
9 facilities to include but not be limited to factories, mills,
10 processing plants, assembly plants, packing plants,
11 fabricating plants, industrial distribution centers,
12 warehouses, repair overhaul or service facilities, freight
13 terminals, research facilities, test facilities or railroad
14 facilities.

15 (d) "Industrial park conservation area" means an area
16 within the boundaries of a redevelopment project area located
17 within the territorial limits of a municipality that is a
18 labor surplus municipality or within 1 1/2 miles of the
19 territorial limits of a municipality that is a labor surplus
20 municipality if the area is annexed to the municipality;
21 which area is zoned as industrial no later than at the time
22 the municipality by ordinance designates the redevelopment
23 project area, and which area includes both vacant land
24 suitable for use as an industrial park and a blighted area or
25 conservation area contiguous to such vacant land.

26 (e) "Labor surplus municipality" means a municipality in
27 which, at any time during the 6 months before the
28 municipality by ordinance designates an industrial park
29 conservation area, the unemployment rate was over 6% and was
30 also 100% or more of the national average unemployment rate
31 for that same time as published in the United States
32 Department of Labor Bureau of Labor Statistics publication
33 entitled "The Employment Situation" or its successor
34 publication. For the purpose of this subsection, if

1 unemployment rate statistics for the municipality are not
2 available, the unemployment rate in the municipality shall be
3 deemed to be the same as the unemployment rate in the
4 principal county in which the municipality is located.

5 (f) "Municipality" shall mean a city, village or
6 incorporated town.

7 (g) "Initial Sales Tax Amounts" means the amount of
8 taxes paid under the Retailers' Occupation Tax Act, Use Tax
9 Act, Service Use Tax Act, the Service Occupation Tax Act, the
10 Municipal Retailers' Occupation Tax Act, and the Municipal
11 Service Occupation Tax Act by retailers and servicemen on
12 transactions at places located in a State Sales Tax Boundary
13 during the calendar year 1985.

14 (g-1) "Revised Initial Sales Tax Amounts" means the
15 amount of taxes paid under the Retailers' Occupation Tax Act,
16 Use Tax Act, Service Use Tax Act, the Service Occupation Tax
17 Act, the Municipal Retailers' Occupation Tax Act, and the
18 Municipal Service Occupation Tax Act by retailers and
19 servicemen on transactions at places located within the State
20 Sales Tax Boundary revised pursuant to Section 11-74.4-8a(9)
21 of this Act.

22 (h) "Municipal Sales Tax Increment" means an amount
23 equal to the increase in the aggregate amount of taxes paid
24 to a municipality from the Local Government Tax Fund arising
25 from sales by retailers and servicemen within the
26 redevelopment project area or State Sales Tax Boundary, as
27 the case may be, for as long as the redevelopment project
28 area or State Sales Tax Boundary, as the case may be, exist
29 over and above the aggregate amount of taxes as certified by
30 the Illinois Department of Revenue and paid under the
31 Municipal Retailers' Occupation Tax Act and the Municipal
32 Service Occupation Tax Act by retailers and servicemen, on
33 transactions at places of business located in the
34 redevelopment project area or State Sales Tax Boundary, as

1 the case may be, during the base year which shall be the
2 calendar year immediately prior to the year in which the
3 municipality adopted tax increment allocation financing. For
4 purposes of computing the aggregate amount of such taxes for
5 base years occurring prior to 1985, the Department of Revenue
6 shall determine the Initial Sales Tax Amounts for such taxes
7 and deduct therefrom an amount equal to 4% of the aggregate
8 amount of taxes per year for each year the base year is prior
9 to 1985, but not to exceed a total deduction of 12%. The
10 amount so determined shall be known as the "Adjusted Initial
11 Sales Tax Amounts". For purposes of determining the
12 Municipal Sales Tax Increment, the Department of Revenue
13 shall for each period subtract from the amount paid to the
14 municipality from the Local Government Tax Fund arising from
15 sales by retailers and servicemen on transactions located in
16 the redevelopment project area or the State Sales Tax
17 Boundary, as the case may be, the certified Initial Sales Tax
18 Amounts, the Adjusted Initial Sales Tax Amounts or the
19 Revised Initial Sales Tax Amounts for the Municipal
20 Retailers' Occupation Tax Act and the Municipal Service
21 Occupation Tax Act. For the State Fiscal Year 1989, this
22 calculation shall be made by utilizing the calendar year 1987
23 to determine the tax amounts received. For the State Fiscal
24 Year 1990, this calculation shall be made by utilizing the
25 period from January 1, 1988, until September 30, 1988, to
26 determine the tax amounts received from retailers and
27 servicemen pursuant to the Municipal Retailers' Occupation
28 Tax and the Municipal Service Occupation Tax Act, which shall
29 have deducted therefrom nine-twelfths of the certified
30 Initial Sales Tax Amounts, the Adjusted Initial Sales Tax
31 Amounts or the Revised Initial Sales Tax Amounts as
32 appropriate. For the State Fiscal Year 1991, this calculation
33 shall be made by utilizing the period from October 1, 1988,
34 to June 30, 1989, to determine the tax amounts received from

1 retailers and servicemen pursuant to the Municipal Retailers'
2 Occupation Tax and the Municipal Service Occupation Tax Act
3 which shall have deducted therefrom nine-twelfths of the
4 certified Initial Sales Tax Amounts, Adjusted Initial Sales
5 Tax Amounts or the Revised Initial Sales Tax Amounts as
6 appropriate. For every State Fiscal Year thereafter, the
7 applicable period shall be the 12 months beginning July 1 and
8 ending June 30 to determine the tax amounts received which
9 shall have deducted therefrom the certified Initial Sales Tax
10 Amounts, the Adjusted Initial Sales Tax Amounts or the
11 Revised Initial Sales Tax Amounts, as the case may be.

12 (i) "Net State Sales Tax Increment" means the sum of the
13 following: (a) 80% of the first \$100,000 of State Sales Tax
14 Increment annually generated within a State Sales Tax
15 Boundary; (b) 60% of the amount in excess of \$100,000 but not
16 exceeding \$500,000 of State Sales Tax Increment annually
17 generated within a State Sales Tax Boundary; and (c) 40% of
18 all amounts in excess of \$500,000 of State Sales Tax
19 Increment annually generated within a State Sales Tax
20 Boundary. If, however, a municipality established a tax
21 increment financing district in a county with a population in
22 excess of 3,000,000 before January 1, 1986, and the
23 municipality entered into a contract or issued bonds after
24 January 1, 1986, but before December 31, 1986, to finance
25 redevelopment project costs within a State Sales Tax
26 Boundary, then the Net State Sales Tax Increment means, for
27 the fiscal years beginning July 1, 1990, and July 1, 1991,
28 100% of the State Sales Tax Increment annually generated
29 within a State Sales Tax Boundary; and notwithstanding any
30 other provision of this Act, for those fiscal years the
31 Department of Revenue shall distribute to those
32 municipalities 100% of their Net State Sales Tax Increment
33 before any distribution to any other municipality and
34 regardless of whether or not those other municipalities will

1 receive 100% of their Net State Sales Tax Increment. For
2 Fiscal Year 1999, and every year thereafter until the year
3 2007, for any municipality that has not entered into a
4 contract or has not issued bonds prior to June 1, 1988 to
5 finance redevelopment project costs within a State Sales Tax
6 Boundary, the Net State Sales Tax Increment shall be
7 calculated as follows: By multiplying the Net State Sales Tax
8 Increment by 90% in the State Fiscal Year 1999; 80% in the
9 State Fiscal Year 2000; 70% in the State Fiscal Year 2001;
10 60% in the State Fiscal Year 2002; 50% in the State Fiscal
11 Year 2003; 40% in the State Fiscal Year 2004; 30% in the
12 State Fiscal Year 2005; 20% in the State Fiscal Year 2006;
13 and 10% in the State Fiscal Year 2007. No payment shall be
14 made for State Fiscal Year 2008 and thereafter.

15 Municipalities that issued bonds in connection with a
16 redevelopment project in a redevelopment project area within
17 the State Sales Tax Boundary prior to July 29, 1991, or that
18 entered into contracts in connection with a redevelopment
19 project in a redevelopment project area before June 1, 1988,
20 shall continue to receive their proportional share of the
21 Illinois Tax Increment Fund distribution until the date on
22 which the redevelopment project is completed or terminated,
23 or the date on which the bonds are retired or the contracts
24 are completed, whichever date occurs first. Refunding of any
25 bonds issued prior to July 29, 1991, shall not alter the Net
26 State Sales Tax Increment.

27 (j) "State Utility Tax Increment Amount" means an amount
28 equal to the aggregate increase in State electric and gas tax
29 charges imposed on owners and tenants, other than residential
30 customers, of properties located within the redevelopment
31 project area under Section 9-222 of the Public Utilities Act,
32 over and above the aggregate of such charges as certified by
33 the Department of Revenue and paid by owners and tenants,
34 other than residential customers, of properties within the

1 redevelopment project area during the base year, which shall
2 be the calendar year immediately prior to the year of the
3 adoption of the ordinance authorizing tax increment
4 allocation financing.

5 (k) "Net State Utility Tax Increment" means the sum of
6 the following: (a) 80% of the first \$100,000 of State Utility
7 Tax Increment annually generated by a redevelopment project
8 area; (b) 60% of the amount in excess of \$100,000 but not
9 exceeding \$500,000 of the State Utility Tax Increment
10 annually generated by a redevelopment project area; and (c)
11 40% of all amounts in excess of \$500,000 of State Utility Tax
12 Increment annually generated by a redevelopment project area.
13 For the State Fiscal Year 1999, and every year thereafter
14 until the year 2007, for any municipality that has not
15 entered into a contract or has not issued bonds prior to June
16 1, 1988 to finance redevelopment project costs within a
17 redevelopment project area, the Net State Utility Tax
18 Increment shall be calculated as follows: By multiplying the
19 Net State Utility Tax Increment by 90% in the State Fiscal
20 Year 1999; 80% in the State Fiscal Year 2000; 70% in the
21 State Fiscal Year 2001; 60% in the State Fiscal Year 2002;
22 50% in the State Fiscal Year 2003; 40% in the State Fiscal
23 Year 2004; 30% in the State Fiscal Year 2005; 20% in the
24 State Fiscal Year 2006; and 10% in the State Fiscal Year
25 2007. No payment shall be made for the State Fiscal Year 2008
26 and thereafter.

27 Municipalities that issue bonds in connection with the
28 redevelopment project during the period from June 1, 1988
29 until 3 years after the effective date of this Amendatory Act
30 of 1988 shall receive the Net State Utility Tax Increment,
31 subject to appropriation, for 15 State Fiscal Years after the
32 issuance of such bonds. For the 16th through the 20th State
33 Fiscal Years after issuance of the bonds, the Net State
34 Utility Tax Increment shall be calculated as follows: By

1 multiplying the Net State Utility Tax Increment by 90% in
2 year 16; 80% in year 17; 70% in year 18; 60% in year 19; and
3 50% in year 20. Refunding of any bonds issued prior to June
4 1, 1988, shall not alter the revised Net State Utility Tax
5 Increment payments set forth above.

6 (l) "Obligations" mean bonds, loans, debentures, notes,
7 special certificates or other evidence of indebtedness issued
8 by the municipality to carry out a redevelopment project or
9 to refund outstanding obligations.

10 (m) "Payment in lieu of taxes" means those estimated tax
11 revenues from real property in a redevelopment project area
12 derived from real property that has been acquired by a
13 municipality which according to the redevelopment project or
14 plan is to be used for a private use which taxing districts
15 would have received had a municipality not acquired the real
16 property and adopted tax increment allocation financing and
17 which would result from levies made after the time of the
18 adoption of tax increment allocation financing to the time
19 the current equalized value of real property in the
20 redevelopment project area exceeds the total initial
21 equalized value of real property in said area.

22 (n) "Redevelopment plan" means the comprehensive program
23 of the municipality for development or redevelopment intended
24 by the payment of redevelopment project costs to reduce or
25 eliminate those conditions the existence of which qualified
26 the redevelopment project area as a "blighted area" or
27 "conservation area" or combination thereof or "industrial
28 park conservation area," and thereby to enhance the tax bases
29 of the taxing districts which extend into the redevelopment
30 project area. On and after November 1, 1999 (the effective
31 date of Public Act 91-478), no redevelopment plan may be
32 approved or amended that includes the development of vacant
33 land (i) with a golf course and related clubhouse and other
34 facilities or (ii) designated by federal, State, county, or

1 municipal government as public land for outdoor recreational
2 activities or for nature preserves and used for that purpose
3 within 5 years prior to the adoption of the redevelopment
4 plan. For the purpose of this subsection, "recreational
5 activities" is limited to mean camping and hunting. Each
6 redevelopment plan shall set forth in writing the program to
7 be undertaken to accomplish the objectives and shall include
8 but not be limited to:

9 (A) an itemized list of estimated redevelopment
10 project costs;

11 (B) evidence indicating that the redevelopment
12 project area on the whole has not been subject to growth
13 and development through investment by private enterprise;

14 (C) an assessment of any financial impact of the
15 redevelopment project area on or any increased demand for
16 services from any taxing district affected by the plan
17 and any program to address such financial impact or
18 increased demand;

19 (D) the sources of funds to pay costs;

20 (E) the nature and term of the obligations to be
21 issued;

22 (F) the most recent equalized assessed valuation of
23 the redevelopment project area;

24 (G) an estimate as to the equalized assessed
25 valuation after redevelopment and the general land uses
26 to apply in the redevelopment project area;

27 (H) a commitment to fair employment practices and
28 an affirmative action plan;

29 (I) if it concerns an industrial park conservation
30 area, the plan shall also include a general description
31 of any proposed developer, user and tenant of any
32 property, a description of the type, structure and
33 general character of the facilities to be developed, a
34 description of the type, class and number of new

1 employees to be employed in the operation of the
2 facilities to be developed; and

3 (J) if property is to be annexed to the
4 municipality, the plan shall include the terms of the
5 annexation agreement.

6 The provisions of items (B) and (C) of this subsection
7 (n) shall not apply to a municipality that before March 14,
8 1994 (the effective date of Public Act 88-537) had fixed,
9 either by its corporate authorities or by a commission
10 designated under subsection (k) of Section 11-74.4-4, a time
11 and place for a public hearing as required by subsection (a)
12 of Section 11-74.4-5. No redevelopment plan shall be adopted
13 unless a municipality complies with all of the following
14 requirements:

15 (1) The municipality finds that the redevelopment
16 project area on the whole has not been subject to growth
17 and development through investment by private enterprise
18 and would not reasonably be anticipated to be developed
19 without the adoption of the redevelopment plan.

20 (2) The municipality finds that the redevelopment
21 plan and project conform to the comprehensive plan for
22 the development of the municipality as a whole, or, for
23 municipalities with a population of 100,000 or more,
24 regardless of when the redevelopment plan and project was
25 adopted, the redevelopment plan and project either: (i)
26 conforms to the strategic economic development or
27 redevelopment plan issued by the designated planning
28 authority of the municipality, or (ii) includes land uses
29 that have been approved by the planning commission of the
30 municipality.

31 (3) The redevelopment plan establishes the
32 estimated dates of completion of the redevelopment
33 project and retirement of obligations issued to finance
34 redevelopment project costs. Those dates shall not be

1 later than December 31 of the year in which the payment
2 to the municipal treasurer as provided in subsection (b)
3 of Section 11-74.4-8 of this Act is to be made with
4 respect to ad valorem taxes levied in the twenty-third
5 calendar year after the year in which the ordinance
6 approving the redevelopment project area is adopted if
7 the ordinance was adopted on or after January 15, 1981,
8 and not later than December 31 of the year in which the
9 payment to the municipal treasurer as provided in
10 subsection (b) of Section 11-74.4-8 of this Act is to be
11 made with respect to ad valorem taxes levied in the
12 thirty-fifth calendar year after the year in which the
13 ordinance approving the redevelopment project area is
14 adopted:

15 (A) if the ordinance was adopted before
16 January 15, 1981, or

17 (B) if the ordinance was adopted in December
18 1983, April 1984, July 1985, or December 1989, or

19 (C) if the ordinance was adopted in December
20 1987 and the redevelopment project is located within
21 one mile of Midway Airport, or

22 (D) if the ordinance was adopted before
23 January 1, 1987 by a municipality in Mason County,
24 or

25 (E) if the municipality is subject to the
26 Local Government Financial Planning and Supervision
27 Act, or

28 (F) if the ordinance was adopted in December
29 1984 by the Village of Rosemont, or

30 (G) if the ordinance was adopted on December
31 31, 1986 by a municipality located in Clinton County
32 for which at least \$250,000 of tax increment bonds
33 were authorized on June 17, 1997, or if the
34 ordinance was adopted on December 31, 1986 by a

1 municipality with a population in 1990 of less than
2 3,600 that is located in a county with a population
3 in 1990 of less than 34,000 and for which at least
4 \$250,000 of tax increment bonds were authorized on
5 June 17, 1997, or

6 (H) if the ordinance was adopted on October 5,
7 1982 by the City of Kankakee, or if the ordinance
8 was adopted on December 29, 1986 by East St. Louis,
9 or

10 (I) if the ordinance was adopted on November
11 12, 1991 by the Village of Sauget, or

12 (J) if the ordinance was adopted on February
13 11, 1985 by the City of Rock Island, or

14 (K) if the ordinance was adopted before
15 December 18, 1986 by the City of Moline, or

16 (L) if the ordinance was adopted on September
17 1, 1988 by Sauk Village, or

18 (M) if the ordinance was adopted on August 31,
19 1993 by Sauk Village.

20 However, for redevelopment project areas for which
21 bonds were issued before July 29, 1991, or for which
22 contracts were entered into before June 1, 1988, in
23 connection with a redevelopment project in the area
24 within the State Sales Tax Boundary, the estimated dates
25 of completion of the redevelopment project and retirement
26 of obligations to finance redevelopment project costs may
27 be extended by municipal ordinance to December 31, 2013.
28 The extension allowed by this amendatory Act of 1993
29 shall not apply to real property tax increment allocation
30 financing under Section 11-74.4-8.

31 A municipality may by municipal ordinance amend an
32 existing redevelopment plan to conform to this paragraph
33 (3) as amended by Public Act 91-478, which municipal
34 ordinance may be adopted without further hearing or

1 notice and without complying with the procedures provided
2 in this Act pertaining to an amendment to or the initial
3 approval of a redevelopment plan and project and
4 designation of a redevelopment project area.

5 Those dates, for purposes of real property tax
6 increment allocation financing pursuant to Section
7 11-74.4-8 only, shall be not more than 35 years for
8 redevelopment project areas that were adopted on or after
9 December 16, 1986 and for which at least \$8 million worth
10 of municipal bonds were authorized on or after December
11 19, 1989 but before January 1, 1990; provided that the
12 municipality elects to extend the life of the
13 redevelopment project area to 35 years by the adoption of
14 an ordinance after at least 14 but not more than 30 days'
15 written notice to the taxing bodies, that would otherwise
16 constitute the joint review board for the redevelopment
17 project area, before the adoption of the ordinance.

18 Those dates, for purposes of real property tax
19 increment allocation financing pursuant to Section
20 11-74.4-8 only, shall be not more than 35 years for
21 redevelopment project areas that were established on or
22 after December 1, 1981 but before January 1, 1982 and for
23 which at least \$1,500,000 worth of tax increment revenue
24 bonds were authorized on or after September 30, 1990 but
25 before July 1, 1991; provided that the municipality
26 elects to extend the life of the redevelopment project
27 area to 35 years by the adoption of an ordinance after at
28 least 14 but not more than 30 days' written notice to the
29 taxing bodies, that would otherwise constitute the joint
30 review board for the redevelopment project area, before
31 the adoption of the ordinance.

32 (3.5) The municipality finds, in the case of an
33 industrial park conservation area, also that the
34 municipality is a labor surplus municipality and that the

1 implementation of the redevelopment plan will reduce
2 unemployment, create new jobs and by the provision of new
3 facilities enhance the tax base of the taxing districts
4 that extend into the redevelopment project area.

5 (4) If any incremental revenues are being utilized
6 under Section 8(a)(1) or 8(a)(2) of this Act in
7 redevelopment project areas approved by ordinance after
8 January 1, 1986, the municipality finds: (a) that the
9 redevelopment project area would not reasonably be
10 developed without the use of such incremental revenues,
11 and (b) that such incremental revenues will be
12 exclusively utilized for the development of the
13 redevelopment project area.

14 (5) On and after November 1, 1999, if the
15 redevelopment plan will not result in displacement of
16 residents from inhabited units, and the municipality
17 certifies in the plan that displacement will not result
18 from the plan, a housing impact study need not be
19 performed. If, however, the redevelopment plan would
20 result in the displacement of residents from 10 or more
21 inhabited residential units, or if the redevelopment
22 project area contains 75 or more inhabited residential
23 units and no certification is made, then the municipality
24 shall prepare, as part of the separate feasibility report
25 required by subsection (a) of Section 11-74.4-5, a
26 housing impact study.

27 Part I of the housing impact study shall include (i)
28 data as to whether the residential units are single
29 family or multi-family units, (ii) the number and type of
30 rooms within the units, if that information is available,
31 (iii) whether the units are inhabited or uninhabited, as
32 determined not less than 45 days before the date that the
33 ordinance or resolution required by subsection (a) of
34 Section 11-74.4-5 is passed, and (iv) data as to the

1 racial and ethnic composition of the residents in the
2 inhabited residential units. The data requirement as to
3 the racial and ethnic composition of the residents in the
4 inhabited residential units shall be deemed to be fully
5 satisfied by data from the most recent federal census.

6 Part II of the housing impact study shall identify
7 the inhabited residential units in the proposed
8 redevelopment project area that are to be or may be
9 removed. If inhabited residential units are to be
10 removed, then the housing impact study shall identify (i)
11 the number and location of those units that will or may
12 be removed, (ii) the municipality's plans for relocation
13 assistance for those residents in the proposed
14 redevelopment project area whose residences are to be
15 removed, (iii) the availability of replacement housing
16 for those residents whose residences are to be removed,
17 and shall identify the type, location, and cost of the
18 housing, and (iv) the type and extent of relocation
19 assistance to be provided.

20 (6) On and after November 1, 1999, the housing
21 impact study required by paragraph (5) shall be
22 incorporated in the redevelopment plan for the
23 redevelopment project area.

24 (7) On and after November 1, 1999, no redevelopment
25 plan shall be adopted, nor an existing plan amended, nor
26 shall residential housing that is occupied by households
27 of low-income and very low-income persons in currently
28 existing redevelopment project areas be removed after
29 November 1, 1999 unless the redevelopment plan provides,
30 with respect to inhabited housing units that are to be
31 removed for households of low-income and very low-income
32 persons, affordable housing and relocation assistance not
33 less than that which would be provided under the federal
34 Uniform Relocation Assistance and Real Property

1 Acquisition Policies Act of 1970 and the regulations
2 under that Act, including the eligibility criteria.
3 Affordable housing may be either existing or newly
4 constructed housing. For purposes of this paragraph (7),
5 "low-income households", "very low-income households",
6 and "affordable housing" have the meanings set forth in
7 the Illinois Affordable Housing Act. The municipality
8 shall make a good faith effort to ensure that this
9 affordable housing is located in or near the
10 redevelopment project area within the municipality.

11 (8) On and after November 1, 1999, if, after the
12 adoption of the redevelopment plan for the redevelopment
13 project area, any municipality desires to amend its
14 redevelopment plan to remove more inhabited residential
15 units than specified in its original redevelopment plan,
16 that increase in the number of units to be removed shall
17 be deemed to be a change in the nature of the
18 redevelopment plan as to require compliance with the
19 procedures in this Act pertaining to the initial approval
20 of a redevelopment plan.

21 (o) "Redevelopment project" means any public and private
22 development project in furtherance of the objectives of a
23 redevelopment plan. On and after November 1, 1999 (the
24 effective date of Public Act 91-478), no redevelopment plan
25 may be approved or amended that includes the development of
26 vacant land (i) with a golf course and related clubhouse and
27 other facilities or (ii) designated by federal, State,
28 county, or municipal government as public land for outdoor
29 recreational activities or for nature preserves and used for
30 that purpose within 5 years prior to the adoption of the
31 redevelopment plan. For the purpose of this subsection,
32 "recreational activities" is limited to mean camping and
33 hunting.

34 (p) "Redevelopment project area" means an area

1 designated by the municipality, which is not less in the
2 aggregate than 1 1/2 acres and in respect to which the
3 municipality has made a finding that there exist conditions
4 which cause the area to be classified as an industrial park
5 conservation area or a blighted area or a conservation area,
6 or a combination of both blighted areas and conservation
7 areas.

8 (q) "Redevelopment project costs" mean and include the
9 sum total of all reasonable or necessary costs incurred or
10 estimated to be incurred, and any such costs incidental to a
11 redevelopment plan and a redevelopment project. Such costs
12 include, without limitation, the following:

13 (1) Costs of studies, surveys, development of
14 plans, and specifications, implementation and
15 administration of the redevelopment plan including but
16 not limited to staff and professional service costs for
17 architectural, engineering, legal, financial, planning or
18 other services, provided however that no charges for
19 professional services may be based on a percentage of the
20 tax increment collected; except that on and after
21 November 1, 1999 (the effective date of Public Act
22 91-478), no contracts for professional services,
23 excluding architectural and engineering services, may be
24 entered into if the terms of the contract extend beyond a
25 period of 3 years. In addition, "redevelopment project
26 costs" shall not include lobbying expenses. After
27 consultation with the municipality, each tax increment
28 consultant or advisor to a municipality that plans to
29 designate or has designated a redevelopment project area
30 shall inform the municipality in writing of any contracts
31 that the consultant or advisor has entered into with
32 entities or individuals that have received, or are
33 receiving, payments financed by tax increment revenues
34 produced by the redevelopment project area with respect

1 to which the consultant or advisor has performed, or will
2 be performing, service for the municipality. This
3 requirement shall be satisfied by the consultant or
4 advisor before the commencement of services for the
5 municipality and thereafter whenever any other contracts
6 with those individuals or entities are executed by the
7 consultant or advisor;

8 (1.5) After July 1, 1999, annual administrative
9 costs shall not include general overhead or
10 administrative costs of the municipality that would still
11 have been incurred by the municipality if the
12 municipality had not designated a redevelopment project
13 area or approved a redevelopment plan;

14 (1.6) The cost of marketing sites within the
15 redevelopment project area to prospective businesses,
16 developers, and investors;

17 (2) Property assembly costs, including but not
18 limited to acquisition of land and other property, real
19 or personal, or rights or interests therein, demolition
20 of buildings, site preparation, site improvements that
21 serve as an engineered barrier addressing ground level or
22 below ground environmental contamination, including, but
23 not limited to parking lots and other concrete or asphalt
24 barriers, and the clearing and grading of land;

25 (3) Costs of rehabilitation, reconstruction or
26 repair or remodeling of existing public or private
27 buildings, fixtures, and leasehold improvements; and the
28 cost of replacing an existing public building if pursuant
29 to the implementation of a redevelopment project the
30 existing public building is to be demolished to use the
31 site for private investment or devoted to a different use
32 requiring private investment;

33 (4) Costs of the construction of public works or
34 improvements, except that on and after November 1, 1999,

1 redevelopment project costs shall not include the cost of
2 constructing a new municipal public building principally
3 used to provide offices, storage space, or conference
4 facilities or vehicle storage, maintenance, or repair for
5 administrative, public safety, or public works personnel
6 and that is not intended to replace an existing public
7 building as provided under paragraph (3) of subsection
8 (q) of Section 11-74.4-3 unless either (i) the
9 construction of the new municipal building implements a
10 redevelopment project that was included in a
11 redevelopment plan that was adopted by the municipality
12 prior to November 1, 1999 or (ii) the municipality makes
13 a reasonable determination in the redevelopment plan,
14 supported by information that provides the basis for that
15 determination, that the new municipal building is
16 required to meet an increase in the need for public
17 safety purposes anticipated to result from the
18 implementation of the redevelopment plan;

19 (5) Costs of job training and retraining projects,
20 including the cost of "welfare to work" programs
21 implemented by businesses located within the
22 redevelopment project area;

23 (6) Financing costs, including but not limited to
24 all necessary and incidental expenses related to the
25 issuance of obligations and which may include payment of
26 interest on any obligations issued hereunder including
27 interest accruing during the estimated period of
28 construction of any redevelopment project for which such
29 obligations are issued and for not exceeding 36 months
30 thereafter and including reasonable reserves related
31 thereto;

32 (7) To the extent the municipality by written
33 agreement accepts and approves the same, all or a portion
34 of a taxing district's capital costs resulting from the

1 redevelopment project necessarily incurred or to be
2 incurred within a taxing district in furtherance of the
3 objectives of the redevelopment plan and project.

4 (7.5) For redevelopment project areas designated
5 (or redevelopment project areas amended to add or
6 increase the number of tax-increment-financing assisted
7 housing units) on or after November 1, 1999, an
8 elementary, secondary, or unit school district's
9 increased costs attributable to assisted housing units
10 located within the redevelopment project area for which
11 the developer or redeveloper receives financial
12 assistance through an agreement with the municipality or
13 because the municipality incurs the cost of necessary
14 infrastructure improvements within the boundaries of the
15 assisted housing sites necessary for the completion of
16 that housing as authorized by this Act, and which costs
17 shall be paid by the municipality from the Special Tax
18 Allocation Fund when the tax increment revenue is
19 received as a result of the assisted housing units and
20 shall be calculated annually as follows:

21 (A) for foundation districts, excluding any
22 school district in a municipality with a population
23 in excess of 1,000,000, by multiplying the
24 district's increase in attendance resulting from the
25 net increase in new students enrolled in that school
26 district who reside in housing units within the
27 redevelopment project area that have received
28 financial assistance through an agreement with the
29 municipality or because the municipality incurs the
30 cost of necessary infrastructure improvements within
31 the boundaries of the housing sites necessary for
32 the completion of that housing as authorized by this
33 Act since the designation of the redevelopment
34 project area by the most recently available per

1 capita tuition cost as defined in Section 10-20.12a
2 of the School Code less any increase in general
3 State aid as defined in Section 18-8.05 of the
4 School Code attributable to these added new students
5 subject to the following annual limitations:

6 (i) for unit school districts with a
7 district average 1995-96 Per Capita Tuition
8 Charge of less than \$5,900, no more than 25% of
9 the total amount of property tax increment
10 revenue produced by those housing units that
11 have received tax increment finance assistance
12 under this Act;

13 (ii) for elementary school districts with
14 a district average 1995-96 Per Capita Tuition
15 Charge of less than \$5,900, no more than 17% of
16 the total amount of property tax increment
17 revenue produced by those housing units that
18 have received tax increment finance assistance
19 under this Act; and

20 (iii) for secondary school districts with
21 a district average 1995-96 Per Capita Tuition
22 Charge of less than \$5,900, no more than 8% of
23 the total amount of property tax increment
24 revenue produced by those housing units that
25 have received tax increment finance assistance
26 under this Act.

27 (B) For alternate method districts, flat grant
28 districts, and foundation districts with a district
29 average 1995-96 Per Capita Tuition Charge equal to
30 or more than \$5,900, excluding any school district
31 with a population in excess of 1,000,000, by
32 multiplying the district's increase in attendance
33 resulting from the net increase in new students
34 enrolled in that school district who reside in

1 housing units within the redevelopment project area
2 that have received financial assistance through an
3 agreement with the municipality or because the
4 municipality incurs the cost of necessary
5 infrastructure improvements within the boundaries of
6 the housing sites necessary for the completion of
7 that housing as authorized by this Act since the
8 designation of the redevelopment project area by the
9 most recently available per capita tuition cost as
10 defined in Section 10-20.12a of the School Code less
11 any increase in general state aid as defined in
12 Section 18-8.05 of the School Code attributable to
13 these added new students subject to the following
14 annual limitations:

15 (i) for unit school districts, no more
16 than 40% of the total amount of property tax
17 increment revenue produced by those housing
18 units that have received tax increment finance
19 assistance under this Act;

20 (ii) for elementary school districts, no
21 more than 27% of the total amount of property
22 tax increment revenue produced by those housing
23 units that have received tax increment finance
24 assistance under this Act; and

25 (iii) for secondary school districts, no
26 more than 13% of the total amount of property
27 tax increment revenue produced by those housing
28 units that have received tax increment finance
29 assistance under this Act.

30 (C) For any school district in a municipality
31 with a population in excess of 1,000,000, the
32 following restrictions shall apply to the
33 reimbursement of increased costs under this
34 paragraph (7.5):

1 (i) no increased costs shall be
2 reimbursed unless the school district certifies
3 that each of the schools affected by the
4 assisted housing project is at or over its
5 student capacity;

6 (ii) the amount reimburseable shall be
7 reduced by the value of any land donated to the
8 school district by the municipality or
9 developer, and by the value of any physical
10 improvements made to the schools by the
11 municipality or developer; and

12 (iii) the amount reimbursed may not
13 affect amounts otherwise obligated by the terms
14 of any bonds, notes, or other funding
15 instruments, or the terms of any redevelopment
16 agreement.

17 Any school district seeking payment under this
18 paragraph (7.5) shall, after July 1 and before
19 September 30 of each year, provide the municipality
20 with reasonable evidence to support its claim for
21 reimbursement before the municipality shall be
22 required to approve or make the payment to the
23 school district. If the school district fails to
24 provide the information during this period in any
25 year, it shall forfeit any claim to reimbursement
26 for that year. School districts may adopt a
27 resolution waiving the right to all or a portion of
28 the reimbursement otherwise required by this
29 paragraph (7.5). By acceptance of this
30 reimbursement the school district waives the right
31 to directly or indirectly set aside, modify, or
32 contest in any manner the establishment of the
33 redevelopment project area or projects;

34 (8) Relocation costs to the extent that a

1 municipality determines that relocation costs shall be
2 paid or is required to make payment of relocation costs
3 by federal or State law or in order to satisfy
4 subparagraph (7) of subsection (n);

5 (9) Payment in lieu of taxes;

6 (10) Costs of job training, retraining, advanced
7 vocational education or career education, including but
8 not limited to courses in occupational, semi-technical or
9 technical fields leading directly to employment, incurred
10 by one or more taxing districts, provided that such costs
11 (i) are related to the establishment and maintenance of
12 additional job training, advanced vocational education or
13 career education programs for persons employed or to be
14 employed by employers located in a redevelopment project
15 area; and (ii) when incurred by a taxing district or
16 taxing districts other than the municipality, are set
17 forth in a written agreement by or among the municipality
18 and the taxing district or taxing districts, which
19 agreement describes the program to be undertaken,
20 including but not limited to the number of employees to
21 be trained, a description of the training and services to
22 be provided, the number and type of positions available
23 or to be available, itemized costs of the program and
24 sources of funds to pay for the same, and the term of the
25 agreement. Such costs include, specifically, the payment
26 by community college districts of costs pursuant to
27 Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public
28 Community College Act and by school districts of costs
29 pursuant to Sections 10-22.20a and 10-23.3a of The School
30 Code;

31 (11) Interest cost incurred by a redeveloper
32 related to the construction, renovation or rehabilitation
33 of a redevelopment project provided that:

34 (A) such costs are to be paid directly from

1 the special tax allocation fund established pursuant
2 to this Act;

3 (B) such payments in any one year may not
4 exceed 30% of the annual interest costs incurred by
5 the redeveloper with regard to the redevelopment
6 project during that year;

7 (C) if there are not sufficient funds
8 available in the special tax allocation fund to make
9 the payment pursuant to this paragraph (11) then the
10 amounts so due shall accrue and be payable when
11 sufficient funds are available in the special tax
12 allocation fund;

13 (D) the total of such interest payments paid
14 pursuant to this Act may not exceed 30% of the total
15 (i) cost paid or incurred by the redeveloper for the
16 redevelopment project plus (ii) redevelopment
17 project costs excluding any property assembly costs
18 and any relocation costs incurred by a municipality
19 pursuant to this Act; and

20 (E) the cost limits set forth in subparagraphs
21 (B) and (D) of paragraph (11) shall be modified for
22 the financing of rehabilitated or new housing units
23 for low-income households and very low-income
24 households, as defined in Section 3 of the Illinois
25 Affordable Housing Act. The percentage of 75% shall
26 be substituted for 30% in subparagraphs (B) and (D)
27 of paragraph (11).

28 (F) Instead of the eligible costs provided by
29 subparagraphs (B) and (D) of paragraph (11), as
30 modified by this subparagraph, and notwithstanding
31 any other provisions of this Act to the contrary,
32 the municipality may pay from tax increment revenues
33 up to 50% of the cost of construction of new housing
34 units to be occupied by low-income households and

1 very low-income households as defined in Section 3
2 of the Illinois Affordable Housing Act. The cost of
3 construction of those units may be derived from the
4 proceeds of bonds issued by the municipality under
5 this Act or other constitutional or statutory
6 authority or from other sources of municipal revenue
7 that may be reimbursed from tax increment revenues
8 or the proceeds of bonds issued to finance the
9 construction of that housing.

10 The eligible costs provided under this
11 subparagraph (F) of paragraph (11) shall be an
12 eligible cost for the construction, renovation, and
13 rehabilitation of all low and very low-income
14 housing units, as defined in Section 3 of the
15 Illinois Affordable Housing Act, within the
16 redevelopment project area. If the low and very
17 low-income units are part of a residential
18 redevelopment project that includes units not
19 affordable to low and very low-income households,
20 only the low and very low-income units shall be
21 eligible for benefits under subparagraph (F) of
22 paragraph (11). The standards for maintaining the
23 occupancy by low-income households and very
24 low-income households, as defined in Section 3 of
25 the Illinois Affordable Housing Act, of those units
26 constructed with eligible costs made available under
27 the provisions of this subparagraph (F) of paragraph
28 (11) shall be established by guidelines adopted by
29 the municipality. The responsibility for annually
30 documenting the initial occupancy of the units by
31 low-income households and very low-income
32 households, as defined in Section 3 of the Illinois
33 Affordable Housing Act, shall be that of the then
34 current owner of the property. For ownership units,

1 the guidelines will provide, at a minimum, for a
2 reasonable recapture of funds, or other appropriate
3 methods designed to preserve the original
4 affordability of the ownership units. For rental
5 units, the guidelines will provide, at a minimum,
6 for the affordability of rent to low and very
7 low-income households. As units become available,
8 they shall be rented to income-eligible tenants.
9 The municipality may modify these guidelines from
10 time to time; the guidelines, however, shall be in
11 effect for as long as tax increment revenue is being
12 used to pay for costs associated with the units or
13 for the retirement of bonds issued to finance the
14 units or for the life of the redevelopment project
15 area, whichever is later.

16 (11.5) If the redevelopment project area is located
17 within a municipality with a population of more than
18 100,000, the cost of day care services for children of
19 employees from low-income families working for businesses
20 located within the redevelopment project area and all or
21 a portion of the cost of operation of day care centers
22 established by redevelopment project area businesses to
23 serve employees from low-income families working in
24 businesses located in the redevelopment project area.
25 For the purposes of this paragraph, "low-income families"
26 means families whose annual income does not exceed 80% of
27 the municipal, county, or regional median income,
28 adjusted for family size, as the annual income and
29 municipal, county, or regional median income are
30 determined from time to time by the United States
31 Department of Housing and Urban Development.

32 (12) Unless explicitly stated herein the cost of
33 construction of new privately-owned buildings shall not
34 be an eligible redevelopment project cost.

1 (13) After November 1, 1999 (the effective date of
2 Public Act 91-478), none of the redevelopment project
3 costs enumerated in this subsection shall be eligible
4 redevelopment project costs if those costs would provide
5 direct financial support to a retail entity initiating
6 operations in the redevelopment project area while
7 terminating operations at another Illinois location
8 within 10 miles of the redevelopment project area but
9 outside the boundaries of the redevelopment project area
10 municipality. For purposes of this paragraph,
11 termination means a closing of a retail operation that is
12 directly related to the opening of the same operation or
13 like retail entity owned or operated by more than 50% of
14 the original ownership in a redevelopment project area,
15 but it does not mean closing an operation for reasons
16 beyond the control of the retail entity, as documented by
17 the retail entity, subject to a reasonable finding by the
18 municipality that the current location contained
19 inadequate space, had become economically obsolete, or
20 was no longer a viable location for the retailer or
21 serviceman.

22 If a special service area has been established pursuant
23 to the Special Service Area Tax Act or Special Service Area
24 Tax Law, then any tax increment revenues derived from the tax
25 imposed pursuant to the Special Service Area Tax Act or
26 Special Service Area Tax Law may be used within the
27 redevelopment project area for the purposes permitted by that
28 Act or Law as well as the purposes permitted by this Act.

29 (r) "State Sales Tax Boundary" means the redevelopment
30 project area or the amended redevelopment project area
31 boundaries which are determined pursuant to subsection (9) of
32 Section 11-74.4-8a of this Act. The Department of Revenue
33 shall certify pursuant to subsection (9) of Section
34 11-74.4-8a the appropriate boundaries eligible for the

1 determination of State Sales Tax Increment.

2 (s) "State Sales Tax Increment" means an amount equal to
3 the increase in the aggregate amount of taxes paid by
4 retailers and servicemen, other than retailers and servicemen
5 subject to the Public Utilities Act, on transactions at
6 places of business located within a State Sales Tax Boundary
7 pursuant to the Retailers' Occupation Tax Act, the Use Tax
8 Act, the Service Use Tax Act, and the Service Occupation Tax
9 Act, except such portion of such increase that is paid into
10 the State and Local Sales Tax Reform Fund, the Local
11 Government Distributive Fund, the Local Government Tax
12 Fund and the County and Mass Transit District Fund, for as
13 long as State participation exists, over and above the
14 Initial Sales Tax Amounts, Adjusted Initial Sales Tax Amounts
15 or the Revised Initial Sales Tax Amounts for such taxes as
16 certified by the Department of Revenue and paid under those
17 Acts by retailers and servicemen on transactions at places of
18 business located within the State Sales Tax Boundary during
19 the base year which shall be the calendar year immediately
20 prior to the year in which the municipality adopted tax
21 increment allocation financing, less 3.0% of such amounts
22 generated under the Retailers' Occupation Tax Act, Use Tax
23 Act and Service Use Tax Act and the Service Occupation Tax
24 Act, which sum shall be appropriated to the Department of
25 Revenue to cover its costs of administering and enforcing
26 this Section. For purposes of computing the aggregate amount
27 of such taxes for base years occurring prior to 1985, the
28 Department of Revenue shall compute the Initial Sales Tax
29 Amount for such taxes and deduct therefrom an amount equal to
30 4% of the aggregate amount of taxes per year for each year
31 the base year is prior to 1985, but not to exceed a total
32 deduction of 12%. The amount so determined shall be known as
33 the "Adjusted Initial Sales Tax Amount". For purposes of
34 determining the State Sales Tax Increment the Department of

1 Revenue shall for each period subtract from the tax amounts
2 received from retailers and servicemen on transactions
3 located in the State Sales Tax Boundary, the certified
4 Initial Sales Tax Amounts, Adjusted Initial Sales Tax Amounts
5 or Revised Initial Sales Tax Amounts for the Retailers'
6 Occupation Tax Act, the Use Tax Act, the Service Use Tax Act
7 and the Service Occupation Tax Act. For the State Fiscal
8 Year 1989 this calculation shall be made by utilizing the
9 calendar year 1987 to determine the tax amounts received. For
10 the State Fiscal Year 1990, this calculation shall be made by
11 utilizing the period from January 1, 1988, until September
12 30, 1988, to determine the tax amounts received from
13 retailers and servicemen, which shall have deducted therefrom
14 nine-twelfths of the certified Initial Sales Tax Amounts,
15 Adjusted Initial Sales Tax Amounts or the Revised Initial
16 Sales Tax Amounts as appropriate. For the State Fiscal Year
17 1991, this calculation shall be made by utilizing the period
18 from October 1, 1988, until June 30, 1989, to determine the
19 tax amounts received from retailers and servicemen, which
20 shall have deducted therefrom nine-twelfths of the certified
21 Initial State Sales Tax Amounts, Adjusted Initial Sales Tax
22 Amounts or the Revised Initial Sales Tax Amounts as
23 appropriate. For every State Fiscal Year thereafter, the
24 applicable period shall be the 12 months beginning July 1 and
25 ending on June 30, to determine the tax amounts received
26 which shall have deducted therefrom the certified Initial
27 Sales Tax Amounts, Adjusted Initial Sales Tax Amounts or the
28 Revised Initial Sales Tax Amounts. Municipalities intending
29 to receive a distribution of State Sales Tax Increment must
30 report a list of retailers to the Department of Revenue by
31 October 31, 1988 and by July 31, of each year thereafter.

32 (t) "Taxing districts" means counties, townships, cities
33 and incorporated towns and villages, school, road, park,
34 sanitary, mosquito abatement, forest preserve, public health,

1 fire protection, river conservancy, tuberculosis sanitarium
2 and any other municipal corporations or districts with the
3 power to levy taxes.

4 (u) "Taxing districts' capital costs" means those costs
5 of taxing districts for capital improvements that are found
6 by the municipal corporate authorities to be necessary and
7 directly result from the redevelopment project.

8 (v) As used in subsection (a) of Section 11-74.4-3 of
9 this Act, "vacant land" means any parcel or combination of
10 parcels of real property without industrial, commercial, and
11 residential buildings which has not been used for commercial
12 agricultural purposes within 5 years prior to the designation
13 of the redevelopment project area, unless the parcel is
14 included in an industrial park conservation area or the
15 parcel has been subdivided; provided that if the parcel was
16 part of a larger tract that has been divided into 3 or more
17 smaller tracts that were accepted for recording during the
18 period from 1950 to 1990, then the parcel shall be deemed to
19 have been subdivided, and all proceedings and actions of the
20 municipality taken in that connection with respect to any
21 previously approved or designated redevelopment project area
22 or amended redevelopment project area are hereby validated
23 and hereby declared to be legally sufficient for all purposes
24 of this Act. For purposes of this Section and only for land
25 subject to the subdivision requirements of the Plat Act, land
26 is subdivided when the original plat of the proposed
27 Redevelopment Project Area or relevant portion thereof has
28 been properly certified, acknowledged, approved, and recorded
29 or filed in accordance with the Plat Act and a preliminary
30 plat, if any, for any subsequent phases of the proposed
31 Redevelopment Project Area or relevant portion thereof has
32 been properly approved and filed in accordance with the
33 applicable ordinance of the municipality.

34 (w) "Annual Total Increment" means the sum of each

1 municipality's annual Net Sales Tax Increment and each
2 municipality's annual Net Utility Tax Increment. The ratio
3 of the Annual Total Increment of each municipality to the
4 Annual Total Increment for all municipalities, as most
5 recently calculated by the Department, shall determine the
6 proportional shares of the Illinois Tax Increment Fund to be
7 distributed to each municipality.

8 (Source: P.A. 90-379, eff. 8-14-97; 91-261, eff. 7-23-99;
9 91-477, eff. 8-11-99; 91-478, eff. 11-1-99; 91-642, eff.
10 8-20-99; 91-763, eff. 6-9-00)

11 Section 99. Effective date. This Act takes effect upon
12 becoming law.